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Return of Private Foundation
or Section 4947(a)(1) Trust Treated as Private Foundation

2013

Department of the Treasury
Internal Revenue Service

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Information about Form 990-PF and its separate instructions is at www.irs.gov/form990pf.

For calendar year 2013, or tax year beginning , 2013, and ending ,

Douglas B. Marshall, Jr. Family
Foundation
600 Jefferson, Suite 300
Houston, TX 77002A Employer identification number
76-0664812B Telephone number (see the instructions)
713-651-8800

G Check all that apply: ☐ Initial return ☐ Initial return of a former public charity
☐ Final return ☐ Amended return
☐ Address change ☐ Name change

H Check type of organization ☒ Section 501(c)(3) exempt private foundation
☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

I Fair market value of all assets at end of year (from Part II, column (c), line 16)
\$ 34,356,542.
J Accounting method: ☒ Cash ☐ Accrual
☐ Other (specify) _____
(Part I, column (d) must be on cash basis)

C If exemption application is pending, check here ☐
D 1 Foreign organizations, check here ☐
2 Foreign organizations meeting the 85% test, check here and attach computation ☐
E If private foundation status was terminated under section 507(b)(1)(A), check here ☐
F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ☐

Part I Analysis of Revenue and Expenses

(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))

(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
1 Contributions, gifts, grants, etc., received (att sch)			
2 Ck <input checked="" type="checkbox"/> if the foundn is not req to att Sch B			
3 Interest on savings and temporary cash investments	6,512.	6,512.	N/A
4 Dividends and interest from securities	493,160.	493,160.	
5a Gross rents			
b Net rental income or (loss)			
6a Net gain/(loss) from sale of assets not on line 10	1,375,498.	Statement 1	
b Gross sales price for all assets on line 6a	2,988,334.		
7 Capital gain net income (from Part IV, line 2)		1,375,074.	
8 Net short-term capital gain			
9 Income modifications			
10a Gross sales less returns and allowances			
b Less Cost of goods sold			
c Gross profit/(loss) (att sch)			
11 Other income (attach schedule)			
See Statement 2	105,585.	107,604.	
12 Total. Add lines 1 through 11	1,980,755.	1,982,350.	
13 Compensation of officers, directors, trustees, etc	0.		
14 Other employee salaries and wages			
15 Pension plans, employee benefits			
16a Legal fees (attach schedule)			
b Accounting fees (attach sch) See St 3	25,793.	12,897.	12,896.
c Other prof fees (attach sch) See St 4	200,255.	186,221.	14,034.
17 Interest			
18 Taxes (attach schedule)(see instrs) See Stm 5	25,420.	10,420.	
19 Depreciation (attach sch) and depletion			
20 Occupancy			
21 Travel, conferences, and meetings			
22 Printing and publications			
23 Other expenses (attach schedule)			
See Statement 6	105,193.	101,637.	3,460.
24 Total operating and administrative expenses. Add lines 13 through 23.	356,661.	311,175.	30,390.
25 Contributions, gifts, grants paid Part XV	1,481,175.		1,481,175.
26 Total expenses and disbursements. Add lines 24 and 25	1,837,836.	311,175.	1,511,565.
27 Subtract line 26 from line 12:			
a Excess of revenue over expenses and disbursements	142,919.		
b Net investment income (if negative, enter -0-)		1,671,175.	
c Adjusted net income (if negative, enter -0-)			

ADMINISTRATIVE EXPENSES
OPERATING EXPENSES
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Part III Balance Sheets		Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)		Beginning of year	End of year	
		(a) Book Value	(b) Book Value	(c) Fair Market Value		
ASSETS	1	Cash — non-interest-bearing				
	2	Savings and temporary cash investments		1,519,202.	1,023,517.	1,023,517.
	3	Accounts receivable	574,116.			
		Less: allowance for doubtful accounts		28,091.	574,116.	574,116.
	4	Pledges receivable				
		Less: allowance for doubtful accounts				
	5	Grants receivable				
	6	Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)				
	7	Other notes and loans receivable (attach sch)				
		Less: allowance for doubtful accounts				
	8	Inventories for sale or use				
	9	Prepaid expenses and deferred charges				
	10a	Investments — U.S. and state government obligations (attach schedule)		99,719.		
	b	Investments — corporate stock (attach schedule) Statement 7		11,048,839.	10,959,416.	13,148,335.
	c	Investments — corporate bonds (attach schedule) Statement 8		5,118,705.	5,315,926.	5,253,130.
	LIABILITIES	11	Investments — land, buildings, and equipment basis			
		Less: accumulated depreciation (attach schedule)				
12		Investments — mortgage loans				
13		Investments — other (attach schedule) Statement 9		9,220,306.	9,304,806.	14,357,444.
14		Land, buildings, and equipment basis				
		Less: accumulated depreciation (attach schedule)				
15		Other assets (describe)				
16		Total assets (to be completed by all filers — see the instructions. Also, see page 1, item I)		27,034,862.	27,177,781.	34,356,542.
17		Accounts payable and accrued expenses				
18		Grants payable				
FUND	19	Deferred revenue				
	20	Loans from officers, directors, trustees, & other disqualified persons				
	21	Mortgages and other notes payable (attach schedule)				
	22	Other liabilities (describe)				
	23	Total liabilities (add lines 17 through 22)		0.	0.	
ASSETS	Foundations that follow SFAS 117, check here and complete lines 24 through 26 and lines 30 and 31.					
	24	Unrestricted				
	25	Temporarily restricted				
	26	Permanently restricted				
	Foundations that do not follow SFAS 117, check here and complete lines 27 through 31.		X			
	27	Capital stock, trust principal, or current funds				
	28	Paid-in or capital surplus, or land, building, and equipment fund				
	29	Retained earnings, accumulated income, endowment, or other funds		27,034,862.	27,177,781.	
	30	Total net assets or fund balances (see instructions)		27,034,862.	27,177,781.	
	31	Total liabilities and net assets/fund balances (see instructions)		27,034,862.	27,177,781.	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year — Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	27,034,862.
2	Enter amount from Part I, line 27a	2	142,919.
3	Other increases not included in line 2 (itemize)	3	
4	Add lines 1, 2, and 3	4	27,177,781.
5	Decreases not included in line 2 (itemize)	5	
6	Total net assets or fund balances at end of year (line 4 minus line 5) — Part II, column (b), line 30	6	27,177,781.

Part IV Capital Gains and Losses for Tax on Investment Income

(a) List and describe the kind(s) of property sold (e.g., real estate, 2-story brick warehouse; or common stock, 200 shares MLC Company)

(b) How acquired
P — Purchase
D — Donation(c) Date acquired
(month, day, year)(d) Date sold
(month, day, year)

1 a Publicly-traded securities—see attached	P	Various	Various
b Long-term capital gain distributions	P	Various	Various
c Common Trust Capital Gain Distributions	P	Various	Various
d Passthrough K-1 Capital Gain	P	Various	Various
e			

(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a 1,837,132.		1,612,836.	224,296.
b 37,146.			37,146.
c 275,327.			275,327.
d 838,305.			838,305.
e			

Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69

(i) Fair Market Value as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of column (i) over column (j), if any	(l) Gains (Column (h) gain minus column (k), but not less than -0-) or Losses (from column (h))
a			224,296.
b			37,146.
c			275,327.
d			838,305.
e			

2 Capital gain net income or (net capital loss)	— [If gain, also enter in Part I, line 7 If (loss), enter -0- in Part I, line 7] —	2	1,375,074.
3 Net short-term capital gain or (loss) as defined in sections 1222(5) and (6):	— [If gain, also enter in Part I, line 8, column (c) (see instructions). If (loss), enter -0- in Part I, line 8] —	3	0.

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank.

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period?

☐ Yes☒ No

If 'Yes,' the foundation does not qualify under section 4940(e). Do not complete this part.

1 Enter the appropriate amount in each column for each year; see the instructions before making any entries.

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (column (b) divided by column (c))
2012	1,348,398.	28,837,044.	0.046759
2011	1,386,631.	28,940,519.	0.047913
2010	538,436.	25,872,325.	0.020811
2009	525,113.	10,788,021.	0.048676
2008	495,467.	10,441,072.	0.047454

2 Total of line 1, column (d)	2	0.211613
3 Average distribution ratio for the 5-year base period — divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0.042323
4 Enter the net value of noncharitable-use assets for 2013 from Part X, line 5.	4	31,305,347.
5 Multiply line 4 by line 3	5	1,324,936.
6 Enter 1% of net investment income (1% of Part I, line 27b)	6	16,712.
7 Add lines 5 and 6	7	1,341,648.
8 Enter qualifying distributions from Part XII, line 4	8	1,511,565.

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate. See the Part VI instructions

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948 — see instructions)

1 a Exempt operating foundations described in section 4940(d)(2), check here <input type="checkbox"/> and enter 'N/A' on line 1. Date of ruling or determination letter. _____ (attach copy of letter if necessary — see instrs)			
b Domestic foundations that meet the section 4940(e) requirements in Part V, check here. <input checked="" type="checkbox"/> and enter 1% of Part I, line 27b		1	16,712.
c All other domestic foundations enter 2% of line 27b. Exempt foreign organizations enter 4% of Part I, line 12, column (b)			
2 Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		2	0.
3 Add lines 1 and 2		3	16,712.
4 Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only. Others enter -0-)		4	0.
5 Tax based on investment income. Subtract line 4 from line 3. If zero or less, enter -0-		5	16,712.
6 Credits/Payments:			
a 2013 estimated tax pmts and 2012 overpayment credited to 2013	6 a	23,696.	
b Exempt foreign organizations — tax withheld at source	6 b		
c Tax paid with application for extension of time to file (Form 8868)	6 c		
d Backup withholding erroneously withheld	6 d		
7 Total credits and payments. Add lines 6a through 6d	7	23,696.	
8 Enter any penalty for underpayment of estimated tax. Check here <input checked="" type="checkbox"/> if Form 2220 is attached	8		
9 Tax due. If the total of lines 5 and 8 is more than line 7, enter amount owed	9	0.	
10 Overpayment. If line 7 is more than the total of lines 5 and 8, enter the amount overpaid	10	6,984.	
11 Enter the amount of line 10 to be Credited to 2014 estimated tax	11	0.	

Part VII A Statements Regarding Activities

	Yes	No
1 a During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?		X
b Did it spend more than \$100 during the year (either directly or indirectly) for political purposes (see the instructions for definition)? <i>If the answer is 'Yes' to 1a or 1b, attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities</i>		X
c Did the foundation file Form 1120-POL for this year?		X
d Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year: (1) On the foundation. ▶ \$ 0. (2) On foundation managers. ▶ \$ 0.		
e Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers. ▶ \$ 0.		
2 Has the foundation engaged in any activities that have not previously been reported to the IRS? <i>If 'Yes,' attach a detailed description of the activities.</i>		X
3 Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? <i>If 'Yes,' attach a conformed copy of the changes</i>		X
4 a Did the foundation have unrelated business gross income of \$1,000 or more during the year?		X
b If 'Yes,' has it filed a tax return on Form 990-T for this year?	N/A	
5 Was there a liquidation, termination, dissolution, or substantial contraction during the year? ... <i>If 'Yes,' attach the statement required by General Instruction T</i>		X
6 Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either: • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	X	
7 Did the foundation have at least \$5,000 in assets at any time during the year? <i>If 'Yes,' complete Part II, column (c), and Part XV.</i>	X	
8 a Enter the states to which the foundation reports or with which it is registered (see instructions) TX		
b If the answer is 'Yes' to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? <i>If 'No,' attach explanation</i>	X	
9 Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2013 or the taxable year beginning in 2013 (see instructions for Part XIV)? <i>If 'Yes,' complete Part XIV</i>		X
10 Did any persons become substantial contributors during the tax year? <i>If 'Yes,' attach a schedule listing their names and addresses</i>		X

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Part VII-A Statements Regarding Activities (continued)

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If 'Yes', attach schedule (see instructions)	11		X
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If 'Yes,' attach statement (see instructions)	12		X
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application? Website address <u>www.dbmjr.org</u>	13	X	
14	The books are in care of <u>Legacy Trust Company</u> Telephone no <u>713-651-8753</u> Located at <u>600 Jefferson, Suite 300 Houston TX</u> ZIP + 4 <u>77002</u>			
15	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the year	15	N/A	N/A
16	At any time during calendar year 2013, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country? See the instructions for exceptions and filing requirements for Form TD F 90-22.1. If 'Yes,' enter the name of the foreign country	16	Yes	No
				X

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

File Form 4720 if any item is checked in the 'Yes' column, unless an exception applies.

	Yes	No
1 a During the year did the foundation (either directly or indirectly):		
(1) Engage in the sale or exchange, or leasing of property with a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
(6) Agree to pay money or property to a government official? (Exception. Check 'No' if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days.)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b If any answer is 'Yes' to 1a(1)-(6), did any of the acts fail to qualify under the exceptions described in Regulations section 53.4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?		
Organizations relying on a current notice regarding disaster assistance check here	<input type="checkbox"/>	
c Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2013?		
2 Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5)).		
a At the end of tax year 2013, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2013?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If 'Yes,' list the years	20 __, 20 __, 20 __, 20 __	
b Are there any years listed in 2a for which the foundation is not applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to all years listed, answer 'No' and attach statement - see instructions.)		
c If the provisions of section 4942(a)(2) are being applied to any of the years listed in 2a, list the years here	20 __, 20 __, 20 __, 20 __	
3 a Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
b If 'Yes,' did it have excess business holdings in 2013 as a result of (1) any purchase by the foundation or disqualified persons after May 26, 1969; (2) the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest; or (3) the lapse of the 10-, 15-, or 20-year first phase holding period? (Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2013.)		
4 a Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?		
b Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2013?		

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Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required (continued)**5a** During the year did the foundation pay or incur any amount to:

- (1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☒ No
- (2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☒ No
- (3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☒ No
- (4) Provide a grant to an organization other than a charitable, etc., organization described in section 509(a)(1), (2), or (3), or section 4940(d)(2)? (see instructions) ☐ Yes ☒ No
- (5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☒ No

b If any answer is 'Yes' to 5a(1)-(5), did any of the transactions fail to qualify under the exceptions described in Regulations section 53.4945 or in a current notice regarding disaster assistance (see instructions)?Organizations relying on a current notice regarding disaster assistance check here ☐**c** If the answer is 'Yes' to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☐ Yes ☐ No

N/A

If 'Yes,' attach the statement required by Regulations section 53.4945-5(d).

6a Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No**b** Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

If 'Yes' to 6b, file Form 8870

7a At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☒ No**b** If 'Yes,' did the foundation receive any proceeds or have any net income attributable to the transaction? ☐ Yes ☒ No

N/A

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors**1** List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	(b) Title, and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-)	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
See Statement 10		0.	0.	0.

2 Compensation of five highest-paid employees (other than those included on line 1 — see instructions). If none, enter 'NONE.'

(a) Name and address of each employee paid more than \$50,000	(b) Title, and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans and deferred compensation	(e) Expense account, other allowances
None				

Total number of other employees paid over \$50,000

0

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors (continued)**3** Five highest-paid independent contractors for professional services (see instructions). If none, enter 'NONE.'

(a) Name and address of each person paid more than \$50,000	(b) Type of service	(c) Compensation
Legacy Trust Company 600 Jefferson, Ste 300 Houston, TX 77002	Trustee fees	186,221.
Total number of others receiving over \$50,000 for professional services		0

Part IX-A Summary of Direct Charitable Activities

List the foundation's four largest direct charitable activities during the tax year. Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc.

	Expenses
1 N/A	
2	
3	
4	

Part IX-B Summary of Program-Related Investments (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1 N/A	
2	
All other program-related investments. See instructions.	
3	
Total. Add lines 1 through 3	0.

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Part X Minimum Investment Return (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc., purposes.	
a	Average monthly fair market value of securities	1 a 17,571,075.
b	Average of monthly cash balances	1 b 1,358,508.
c	Fair market value of all other assets (see instructions)	1 c 12,852,495.
d	Total (add lines 1a, b, and c)	1 d 31,782,078.
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1 e 0.
2	Acquisition indebtedness applicable to line 1 assets	2 0.
3	Subtract line 2 from line 1d	3 31,782,078.
4	Cash deemed held for charitable activities. Enter 1-1/2% of line 3 (for greater amount, see instructions)	4 476,731.
5	Net value of noncharitable-use assets. Subtract line 4 from line 3. Enter here and on Part V, line 4	5 31,305,347.
6	Minimum investment return. Enter 5% of line 5	6 1,565,267.

Part XI Distributable Amount (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6	1 1,565,267.
2a	Tax on investment income for 2013 from Part VI, line 5	2 a 16,712.
b	Income tax for 2013 (This does not include the tax from Part VI)	2 b
c	Add lines 2a and 2b	2 c 16,712.
3	Distributable amount before adjustments Subtract line 2c from line 1	3 1,548,555.
4	Recoveries of amounts treated as qualifying distributions	4
5	Add lines 3 and 4	5 1,548,555.
6	Deduction from distributable amount (see instructions)	6
7	Distributable amount as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1	7 1,548,555.

Part XII Qualifying Distributions (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc., purposes:	
a	Expenses, contributions, gifts, etc. — total from Part I, column (d), line 26	1 a 1,511,565.
b	Program-related investments — total from Part IX-B	1 b
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc., purposes	2
3	Amounts set aside for specific charitable projects that satisfy the:	
a	Suitability test (prior IRS approval required)	3 a
b	Cash distribution test (attach the required schedule)	3 b
4	Qualifying distributions. Add lines 1a through 3b. Enter here and on Part V, line 8, and Part XIII, line 4	4 1,511,565.
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income. Enter 1% of Part I, line 27b (see instructions)	5 16,712.
6	Adjusted qualifying distributions. Subtract line 5 from line 4	6 1,494,853.

Note. The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2012	(c) 2012	(d) 2013
1 Distributable amount for 2013 from Part XI, line 7				1,548,555.
2 Undistributed income, if any, as of the end of 2013.				
a Enter amount for 2012 only			1,339,799.	
b Total for prior years: 20 __, 20 __, 20 __		0.		
3 Excess distributions carryover, if any, to 2013				
a From 2008				
b From 2009				
c From 2010				
d From 2011				
e From 2012				
f Total of lines 3a through e	0.			
4 Qualifying distributions for 2013 from Part XII, line 4: ▶ \$ 1,511,565.				
a Applied to 2012, but not more than line 2a			1,339,799.	
b Applied to undistributed income of prior years (Election required – see instructions)		0.		
c Treated as distributions out of corpus (Election required – see instructions)	0.			
d Applied to 2013 distributable amount				171,766.
e Remaining amount distributed out of corpus	0.			
5 Excess distributions carryover applied to 2013 (If an amount appears in column (d), the same amount must be shown in column (a))	0.			0.
6 Enter the net total of each column as indicated below:				
a Corpus. Add lines 3f, 4c, and 4e. Subtract line 5	0.			
b Prior years' undistributed income. Subtract line 4b from line 2b		0.		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0.		
d Subtract line 6c from line 6b. Taxable amount – see instructions		0.		
e Undistributed income for 2012. Subtract line 4a from line 2a. Taxable amount – see instructions			0.	
f Undistributed income for 2013. Subtract lines 4d and 5 from line 1. This amount must be distributed in 2014				1,376,789.
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (see instructions)	0.			
8 Excess distributions carryover from 2008 not applied on line 5 or line 7 (see instructions)	0.			
9 Excess distributions carryover to 2014. Subtract lines 7 and 8 from line 6a	0.			
10 Analysis of line 9.				
a Excess from 2009				
b Excess from 2010				
c Excess from 2011				
d Excess from 2012				
e Excess from 2013				

Part XIV Supplementary Information (continued)**3** Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
<i>a</i> Paid during the year See attachment	N/A	PC	See attachment	1,481,175.
Total			▶ 3a	1,481,175.
<i>b</i> Approved for future payment				
Total			▶ 3b	

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated		Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclu- sion code	(d) Amount		
1	Program service revenue:					
a						
b						
c						
d						
e						
f						
g	Fees and contracts from government agencies					
2	Membership dues and assessments					
3	Interest on savings and temporary cash investments			14	6,512.	
4	Dividends and interest from securities			14	493,160.	
5	Net rental income or (loss) from real estate:					
a	Debt-financed property					
b	Not debt-financed property					
6	Net rental income or (loss) from personal property					
7	Other investment income					
8	Gain or (loss) from sales of assets other than inventory	525990	424.	18	1,375,074.	
9	Net income or (loss) from special events					
10	Gross profit or (loss) from sales of inventory					
11	Other revenue:					
a	K-1 Income - see attached	525990	-2,019.	14	107,604.	
b						
c						
d						
e						
12	Subtotal. Add columns (b), (d), and (e)		-1,595.		1,982,350.	
13	Total. Add line 12, columns (b), (d), and (e)				13	1,980,755.

(See worksheet in line 13 instructions to verify calculations.)

Part XVII B Relationship of Activities to the Accomplishment of Exempt Purposes

[illegible]

Statement 1
Form 990-PF, Part I, Line 6a
Net Gain (Loss) from Noninventory Sales Per Books
Assets Not Included in Part IV

Description:	Passthrough K-1 Capital Gain (UBI)		
Date Acquired:	Various		
How Acquired:	Purchase		
Date Sold:	Various		
To Whom Sold:			
Gross Sales Price:	424.		
Cost or Other Basis:	0.		
Basis Method:	Cost		
Depreciation:	0.		
		Gain (Loss)	424.
		Total	\$ <u>424.</u>

Statement 2
Form 990-PF, Part I, Line 11
Other Income

	(a) Revenue per Books	(b) Net Investment Income	(c) Adjusted Net Income
K-1 Income - see attached	\$ 105,585.	\$ 107,604.	
Total	\$ <u>105,585.</u>	\$ <u>107,604.</u>	\$ <u>0.</u>

Statement 3
Form 990-PF, Part I, Line 16b
Accounting Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Audit and tax compliance	\$ 25,793.	\$ 12,897.		\$ 12,896.
Total	\$ <u>25,793.</u>	\$ <u>12,897.</u>		\$ <u>12,896.</u>

Statement 4
Form 990-PF, Part I, Line 16c
Other Professional Fees

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Grant evaluation fees	\$ 13,750.			\$ 13,750.
Institutional trustee fees	186,221.	\$ 186,221.		
Registered agent fee	284.			284.
Total	\$ <u>200,255.</u>	\$ <u>186,221.</u>		\$ <u>14,034.</u>

Statement 5
Form 990-PF, Part I, Line 18
Taxes

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Excise tax	\$ 15,000.			
Foreign tax paid	10,420.	\$ 10,420.		
Total	\$ 25,420.	\$ 10,420.		\$ 0.

Statement 6
Form 990-PF, Part I, Line 23
Other Expenses

	(a) Expenses per Books	(b) Net Investment Income	(c) Adjusted Net Income	(d) Charitable Purposes
Dues & Subscriptions	\$ 3,460.			\$ 3,460.
K-1 expenses	101,733.	\$ 101,637.		
Total	\$ 105,193.	\$ 101,637.		\$ 3,460.

Statement 7
Form 990-PF, Part II, Line 10b
Investments - Corporate Stocks

Corporate Stocks	Valuation Method	Book Value	Fair Market Value
6838 shs IShares Russell 2000 Growth	Cost	\$ 510,657.	\$ 926,618.
10728 shs IShares Russell Midcap Growth	Cost	511,959.	905,014.
21845 shs SPDR S&P 500 ETF Trust	Cost	2,653,521.	4,034,554.
27,875 shs IShares MSCI EAFE ETF	Cost	1,454,299.	1,870,273.
172,848 shs MS Inst. Fund Intl Equity	Cost	3,247,583.	2,934,967.
98,006 shs Pimco Commodity Realreturn	Cost	813,625.	538,055.
11,600 shs IShares Russell 1000 Growth	Cost	753,812.	997,020.
31,165 Lazard Emerging Mkts Equity Instl	Cost	630,000.	581,859.
8,750 Vanguard FTSE Emerging Mkts ETF	Cost	383,960.	359,975.
Total		\$ 10,959,416.	\$ 13,148,335.

Statement 8
Form 990-PF, Part II, Line 10c
Investments - Corporate Bonds

Corporate Bonds	Valuation Method	Book Value	Fair Market Value
Pimco Total Return Fund	Cost	\$ 4,017,421.	\$ 4,026,442.
Pimco Emerging Markets Curr Instl	Cost	1,000,000.	940,616.
T Rowe Price Intl Bond Fd	Cost	298,505.	286,072.
Total		\$ 5,315,926.	\$ 5,253,130.

Statement 9
Form 990-PF, Part II, Line 13
Investments - Other

	Valuation Method	Book Value	Fair Market Value
<u>Other Investments</u>			
Legacy Large Cap Value Equity Fund	Cost	\$ 2,041,769.	\$ 3,068,557.
Legacy Value Equity Fund	Cost	1,138,868.	1,200,804.
LTC Core Equity Fund	Cost	1,746,964.	2,486,696.
Legacy Focused Growth Fund, LP	Cost	1,798,795.	4,006,051.
Legacy Mezzanine Partners	Cost	572,314.	566,512.
Legacy New Technologies Fund LP	Cost	1,122,056.	2,142,761.
OCM Mezzanine Fund II LP	Cost	156,598.	130,016.
OCM Opportunities Fund VIIB, LP	Cost	22,243.	22,970.
Legacy European Distressed Opp LP	Cost	449,864.	475,802.
LTC Realty Partners II, LP	Cost	255,335.	257,275.
Total			
		\$ 9,304,806.	\$ 14,357,444.

Statement 10
Form 990-PF, Part VIII, Line 1
List of Officers, Directors, Trustees, and Key Employees

Name and Address	Title and Average Hours Per Week Devoted	Compen- sation	Contri- bution to EBP & DC	Expense Account/ Other
Douglas B. Marshall III 600 Jefferson, Suite 300 Houston, TX 77002	President/Dir 5.00	\$ 0.	\$ 0.	\$ 0.
Robert T. Arnold 600 Jefferson, Suite 300 Houston, TX 77002	VP/Director 1.00	0.	0.	0.
Robert L. Carter 600 Jefferson, Suite 300 Houston, TX 77002	Secretary 6.00	0.	0.	0.
Carla Chaney 600 Jefferson, Suite 300 Houston, TX 77002	Treasurer 1.00	0.	0.	0.
Amrita Ahuja 600 Jefferson, Suite 300 Houston, TX 77002	Director 1.00	0.	0.	0.
J.K. Jones 600 Jefferson, Suite 300 Houston, TX 77002	Director 1.00	0.	0.	0.
Wilhelmina Traylor 600 Jefferson, Suite 300 Houston, TX 77002	Director 1.00	0.	0.	0.
Total				
		\$ 0.	\$ 0.	\$ 0.

Statement 11
Form 990-PF, Part XV, Line 2a-d
Application Submission Information

Name:	Robert L. Carter
Care Of:	The Douglas B. Marshall, Jr. Family Fd
Street Address:	600 Jefferson, Ste 310
City, State, Zip Code:	Houston, TX 77002
Telephone:	713-651-8806
E-Mail Address:	dbmjrfoundation@gmail.com
Form and Content:	Applications should be submitted by email to dbmjrfoundation@gmail.com. Go to www.dbmjr.org/grant_guidelines to download application forms.
Submission Deadlines:	Go to www.dbmjr.org for current deadlines.
Restrictions on Awards:	The mission of the Douglas B. Marshall, Jr. Family Foundation is to support education and research on all levels. This includes, on the one hand, supporting cutting edge research at universities, laboratories, and other such institutions. It also includes the support of basic education, especially in areas of literacy, numeracy, and science. Since education and research are impossible without food, shelter, clothing, or medicine, it is within the bounds of the Foundation's mission to provide these when necessary.

Douglas B. Marshall, Jr. Family Foundation
2013 Form 990-PF

76-0664812

Interest Income

<u>Payee</u>	<u>Account 30-1400-00</u>	<u>Account 30-1400-01</u>	<u>Totals</u>
Legacy Trust Company	\$ 269	979	\$ 1,248
Legacy Value Equity Fund	1,831	3,434	5,264
Reported on Line 3	<u>2,099</u>	<u>4,413</u>	<u>6,512</u>

Dividend Income

<u>Payee</u>	<u>Account 30-1400-00</u>	<u>Account 30-1400-01</u>	<u>Totals</u>
Legacy Trust Company	159,299	207,097	366,395
Legacy Value Equity Fund	7,519	14,104	21,623
LTC Core Equity Fund	38,935	19,872	58,808
Legacy Large Cap Value Equity Fund	16,756	29,578	46,334
Reported on Line 4	<u>\$ 222,509</u>	<u>270,651</u>	<u>\$ 493,160</u>

Summary of Partnership Income from K-1s

K-1 Lines															
Ordinary Income	Rental Income	Interest	Dividends	Royalties	STCG	LTCG	Section 1231 Gain/ (Loss)	Other Income	Section 1256 Gains / (Losses)	Section 179 Deductions	R&D	Foreign Tax	N/D	Totals	
1	2	5	6a	7	8	9a	10	11	11	12	13	15	16	18	Totals
-	-	13,929	1,279	-	13,286	5,086	-	(5,115)	-	(7,077)	-	(45)	-	-	21,343
-	-	10	5,178	-	(322)	179,806	-	-	-	(16,105)	-	-	-	-	168,567
-	-	17	8,920	-	(1,268)	273,785	-	-	-	(27,744)	-	-	-	-	253,710
1,934	-	17,720	896	-	275	1,947	(6)	180	(24)	(4,964)	(9)	-	-	(12)	17,937
3,867	-	35,441	1,792	1	551	3,893	(11)	361	(48)	(9,929)	(19)	(2)	(24)	(24)	35,873
-	-	23	-	-	(452)	133,834	-	-	-	(7,954)	-	-	-	-	125,451
-	-	51	-	-	(4,573)	240,796	-	-	-	(23,909)	-	-	-	-	212,365
-	-	2,127	-	-	-	-	-	3,842	-	(634)	-	-	-	-	5,335
-	-	9,446	1,390	-	1	(9,947)	-	(454)	-	(2,665)	-	-	-	-	(2,229)
-	-	975	1,761	-	47	1,729	-	2	198	(524)	-	(3)	-	-	4,185
-	-	-	-	-	-	-	-	-	-	(16)	-	-	-	-	(16)
14	27	8	1	-	4	65	5	(38)	-	(23)	-	(3)	-	-	60
5,815	27	79,747	21,217	1	7,549	830,994	(12)	(1,222)	198	(72)	(101,544)	(28)	(53)	(36)	842,581
Total															

Ordinary Income	5,815	Short-Term Capital Gains/(Losses)	7,549	Section 179 Expense	(72)
Rental Income	27	Long-Term Capital Gains/(Losses)	830,994	Deductions	(101,544)
Interest Income	79,747	Section 1231 Gains/(Losses)	(12)	R&D Credits	(53)
Dividend Income	21,217	Section 1256 Gains/(Losses)	198	Foreign Tax	(28)
Royalties	1	Total Capital Gains/(Losses) from Partnerships	838,729	Non-deductible	(36)
Other Income	(1,222)				(101,733)
Total Ordinary Income From Partnerships	105,585				

990-PF Line 6 - Capital Gains	838,729
990-PF Line 11 - Other Income	105,585
990-PF Line 23 - Deductions & Credits	(101,733)
Net Partnership Income	842,581

G/L Account	340,632
G/L Account	501,948
	842,580

Summary of Sales of Publicly-Traded Securities

Description	Date Acquired	Date Sold	Proceeds	Cost	Gain/Loss
Account 30-1400-00					
750 shs iShares Russell Midcap Grwth ETF	01-01-06	01-31-13	\$ 50,016	26,843	\$ 23,174
500 shs iShares Russell Midcap Grwth ETF	01-01-06	12-16-13	40,698	17,895	22,803
495 shs iShares Russell 2000 Grwth ETF	01-01-06	01-31-13	50,302	27,555	22,748
300 shs iShares Russell 2000 Grwth ETF	01-01-06	12-16-13	38,960	16,700	22,261
9,009.009 shs Pimco Commodity RR Strat Ins	Various	12-16-13	50,000	86,375	(36,375)
622 shs Legacy Large Cap Value Equity Fund	Various	12-31-13	150,003	128,308	21,695
Total for Account 30-1400-00			379,981	303,675	76,305
Account 30-1400-01					
100,000 shs U S Treasury Notes	02-07-11	01-31-13	100,000	99,719	281
1,300 shs iShrs Russell Midcap Grwth ETF	03-31-06	10-31-13	104,844	65,654	39,190
800 shs iShares Russell 2000 Grwth ETF	03-31-06	10-31-13	103,134	63,617	39,517
1,700 shs iShrs MSCI EAFE ETF	10-05-10	01-31-13	100,393	104,447	(4,053)
1,500 shs iShrs MSCI EAFE ETF	Various	10-31-13	99,257	90,087	9,171
1,550 shs iShrs MSCI EAFE ETF	Various	12-17-13	99,446	88,284	11,162
5,889.282 shs Morgan Stanley Ins Intl Eq	03-31-06	12-31-13	100,000	128,504	(28,504)
1,251 shs Legacy Large Cap Value Equity Fund	03-31-06	01-31-13	250,014	230,873	19,141
436 shs Legacy Large Cap Value Equity Fund	03-31-06	10-31-13	100,056	84,518	15,539
1,244 shs Legacy Large Cap Value Equity Fund	03-31-06	12-31-13	300,007	252,174	47,833
9,174.312 shs Pimco Total Return Fund - Inst	03-30-09	10-31-13	100,000	101,284	(1,284)
Total for Account 30-1400-01			1,457,152	1,309,161	147,991
Total 2013 Sale of Securities			1,837,133	1,612,836	224,297

Long Term Capital Gain Distributions

Legacy Trust Company - Account 30-1400-00	17,882	-	17,882
Legacy Trust Company - Account 30-1400-01	19,264	-	19,264

Common Trust Fund Capital Gains Distributions

Legacy Value Equity	48,357	-	48,357
LTC Core Equity Fund	(15,661)	-	(15,661)
Legacy Large Cap Value	242,631	-	242,631

Partnership Capital Gains

838,729	-	838,729
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Total 2013 Long Term Capital Gain per Part I, Line 6	2,988,334	1,612,836	1,375,498
Adjustment for Partnership UBI not reported in Part IV	(424)		(424)
Total 2013 Long Term Capital Gain per Part IV	\$ 2,987,910	1,612,836	\$ 1,375,074

Attachment to Part XV, Line 3a - Grants Paid During the Year

Recipient Name and Address	Public Charity Status	Purpose of Grant	Amount
Alethia Solutions 1731 Connecticut Ave., 4th Floor, NW Washington, DC 20009	PC	General Support	\$ 10,000
Association for India's Development USA 63 Willowbridge Dr Durham, NC 27707	PC	Eureka SuperKidz Education Support Centers	104,720
Be the Cause 2440 Newport Blvd. Costa Mesa, CA 92627	PC	Coordination of Volunteers	2,500
CARE 151 Ellis Street NE Atlanta, GA 30303	PC	Project Kawsay 11 Fight Global Poverty	39,787
Common Hope PO Box 14298 St. Paul, MN 55114	PC	Antiqua Secondary Education & Youth Programs	150,000
Community Foundation of San Saba County PO Box 331 San Saba, TX 76877	PC	Restoration of Historic Buildings	15,000
Firelight Foundation International Funders Group 740 Front St., Ste. 380 Santa Cruz, CA 95060	PC	International Education Funders Group	5,000
Houston Council on Alcoholism & Drug Abuse PO Box 2768 Houston, TX 77252	PC	Alcoholism & Drug Abuse Support	12,500
Houston Zoo 1513 Cambridge St. Houston, TX 77030	PC	Animal Support	1,000
Innovations for Poverty Action 101 Whitney Ave New Haven, CT 06510	PC	Deworm School Children in Kenya	400,000

Attachment to Part XV, Line 3a - Grants Paid During the Year

Recipient Name and Address	Public Charity Status	Purpose of Grant	Amount
Massachusetts Institute of Technology 77 Massachusetts Ave, E53-320 Cambridge, MA 02139	PC	Post Primary Education in Developing Countries	250,330
Pratham USA 9703 Richmond Ave., Ste. 102 Houston, TX 77042	PC	Educational	421,338
Reach Unlimited Inc. 12777 Jones Rd., Ste 103 Houston, TX 77070	PC	Supports Mentally Handicapped Individuals	15,000
Results for Development Institute 1100 15th NW, Ste. 400 Washington, DC 20009	PC	Learning Partner for PSPISE	20,000
St. John the Divine Episcopal Church 2450 River Oaks Blvd. Houston, TX 77019	PC	Sex, God & Me Program in Africa	15,000
St. Philip's Episcopal School 343 North Getty St. Uvalde, TX 78801	PC	Educational	15,000
Ummeed Child Development Fund, Inc. 17 Powder Mill Rd. Framingham, MA 01701	PC	Supports Mumbai's Children with Developmental Disabilities	4,000
Total Grants Paid During The Year			<u><u>\$ 1,481,175</u></u>